

**FINANCE AND FINANCIAL SERVICES COMMITTEE
of the
SUFFOLK COUNTY LEGISLATURE**

Minutes

A regular meeting of the Finance and Financial Services Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on **August 22, 2001**.

MEMBERS PRESENT:

Legislator Michael Caracciolo - Chairman
Legislator Maxine Postal - Vice-Chair
Legislator Martin Haley
Legislator Cameron Alden
Legislator William Lindsay

ALSO IN ATTENDANCE:

Paul Sabatino II - Counsel to the Legislature
Fred Pollert - Director, Budget Review Office
Jim Spero - Deputy Director, Budget Review Office
Todd Johnson - County Executive's Office
Clark Gavin - Aide to Presiding Officer
Jim Dobkowski - Aide to Presiding Officer
Ken Knappe - County Executive's Budget Office
Bill Faulk - County Executive's Budget Office
Mea Knapp - OTB
Dominick Baranello - OTB
Terry Pearsall - Aide to Legislator Lindsay
Joe Poerio
All other interested parties

MINUTES TAKEN BY:

Donna Barrett - Court Stenographer

(*THE MEETING WAS CALLED TO ORDER AT 9:45 A.M.*)

CHAIRMAN CARACCIOLO:

Good morning. And I'd like everyone to please stand for the Pledge of Allegiance to be led by Legislator Postal.

SALUTATION

CHAIRMAN CARACCIOLO:

Note that all members are present. Legislator Alden is temporarily out of the room. I know Legislator Lindsay is here also. There he is. We have a couple of presentations. And because time of is of the essence for Mr. Poerio, he'd like to address the committee on a resolution, and then we'll go to our invited guests from Off-Track Betting Corporation.

MR. POERIO:

Thank you. Thank you, Mr. Chairman. Good morning.

CHAIRMAN CARACCIOLO:

Good morning.

MR. POERIO:

I'd like to just make a quick statement Resolution Number 1778, and I'd ask that the Chairman would please take this out of order, you know, when I'm finished, and so that I know what the determination of

the Legislature is -- of the committee is. This is a normal every year annual resolution asking the Suffolk County Comptroller to borrow money for delinquent taxes in the tax anticipation note. The funding is up to \$75 million, which is the same amount as we asked for last year, although we borrowed \$60 million last year. We were able to reduce that.

We're looking and working with the treasurer at the moment, and we're looking to size that less than the 75 million, and we're looking for the same number; approximately \$60 million. Eventually, we think that we'll be able to take that under 60, but we're waiting for the sales tax information to come in on September 9th, until we absolutely finalize the number that we need to borrow and take out to the end of the year. So it will be some where between 60 probably and 75 million. And this is a routine borrowing as I said before.

CHAIRMAN CARACCIOLO:

I know Mr. Pollert just stepped out to make some copies. We've had some recent updates with respect to sales tax figures, and there on the positive side. So we're encouraged by that, which may necessitate lesser borrowing --

MR. POERIO:

Yes.

1778. A resolution delegating to the County Comptroller of the County of Suffolk, New York, the power to authorize the issuance of and to sell not exceeding \$75,000,000 Tax Anticipation Notes of said County in anticipation of the collection of Real Estate Taxes Levied for County purposes or returned to the County for collection for the

fiscal years commencing January 1, 1998, 1999, 2000, 2001, and providing for other matters in connection therewith. (County Exec)

CHAIRMAN CARACCIOLO:

-- instead of more. So it certainly seems like a prudent course of action. At this time, if there is no objection and there are no questions, the Chair would like to call that resolution out. 1778. I'll make a motion. Seconded by Legislator Postal. All in favor? Opposed? Abstentions? Unanimous.

The Chair will make a motion to approve. Seconded by Legislator Postal. All in favor? Opposed? Abstentions? Unanimous.
APPROVED (VOTE: 4-0-0-0).

MR. POERIO:

Thank you. Thank you very much Mr. Chairman and fellow Legislators. Thank you.

CHAIRMAN CARACCIOLO:

I believe it was back on May 1st -- what was it, May 1st? Yes, May 1st. I can't believe it is that long ago already. We had extended an invitation to the president and vice-president of the Off-Track Betting Corporation, and members of their Board were in attendance. Unfortunately, the Chair at that time had a case of laryngitis, which took it's time to abate, but it has abated some three months later. In the interim, I did correspond as I indicated I would with Mea Knapp, President of OTB, and she has graciously responded with the dated yesterday in anticipation of this appearance today. So I'd like at this time to invite Mrs. Knapp or Ms. Knapp and Mr. Baranello up to

go over those issues as well as anything they'd like to provide the committee with as an update since their last appearance. I would notice for the record that there was a Newsday article of August 16th that also reported some good news in term of OTB operations. Again, the news on the positive side. So without stealing your thunder, I'll give you an opportunity to maybe refer to that revenue figure and then we'll get to the Q&A.

MS. KNAPP:

I believe Mr. Baranello actually was going to start us off by making reference to that particular article.

MR. BARANELLO:

I want to make reference to that particular article. You know, when you had been a political leader for 246 years, and one day you say, geez, it's time for me to retire. You spend an awful lot of your time introducing people, all nice people. And I'm supposed to introduce this great lady this morning and then I said, I'm not going to introduce her today because everybody knows her. Everybody knows her. She's doing such a wonderful job here in the County of Suffolk that everybody knows her and then I came across -- somebody gave it to me this morning -- it says, "OTB makes come back", and that makes me salivate and that makes her salivate. I want to introduce Mea Knapp, the President of OTB here in the County of Suffolk.

MS. KNAPP:

Thank you, Dominick. That article did refer to a great deal of good

news at OTB. Unfortunately, it didn't really tell you the full story. We have a lot of things happening. Some of them, hopefully, will be very, very good for Suffolk County. Some of them I have some concerns about, but let's start with the really good news. Suffolk OTB on a year-to-date basis has an increase of 4.4% in it's handle. Obviously, the handle being the amount of money bet. The handle is one aspect of the way this company delivers money to the corporation. The other aspect being controlling our expense side so that the net dollars, the revenue to the County can grow.

Our handle has grown 4.4% over last year. Our nearest competitor, Capital OTB, on a year-to-date basis was at 3.1%. The other four regions have percentage -- a decrease, in one case, of minus 1.6 to 2.9. The good news though is when you look at July, a month in which Suffolk OTB experienced an 8% growth in handle, while the nearest competitor in the month of July was at .9%. So we are far out performing the other regions in the State in terms of growing our handle. But as I say, that's only one aspect of it. The other aspect it our ability to deliver revenues to the County. And we have an area of some concern that was referenced in that article, and that is the change in State law on the take-out. The take-out is the amount of money that is retained with most of the handle or betting pool going back to the customers. The amounts vary on the different types of bet, but for example, on the win, place and show it was 17% that we were able to retain, that's gone down to 14%. The others have similar changes. What that means for us is it's that much less money to run the operations, and naturally, that much less money that remains in our bottom line.

The good news as far as we're concerned is that we have actually been able to increase the Saratoga handle enough to, not only break even, but we have been making a little bit more money. In part, that's due

to a very specific piece of legislation that's good only for this year, and that allows us to take two additional tracks. And because of the two additional tracks, for instance, we were able in the first 19 days of the month to increase 1.4 million in handle over last year. So even with the change in the retention rates, we're hopeful that August is going to be a very good month for us. As a matter of fact, since 1994, we have only had one month in which our handle exceeded \$16 million, and that was May of this year. We did it again in July, and we think we're going to do it again in August. So business has been very, very good, and we've been working hard to do the right thing for the County.

CHAIRMAN CARACCILOLO:

Mea, since you assumed the position of president, and took over operations, management of OTB, what can you tell us have been some subtle as well as permanent changes for the good in terms of the consultants at OTB? I know your correspondents referenced some of that with regard to a question in my letter to you with respect to overall staffing and personnel assignments. Basically, is the corporation leaner and is that helping to improve the bottom line?

MS. KNAPP:

On a short-term basis, certainly the corporation is leaner. And I think that on a short-term basis, it has improved our bottom line. I

think that you have to be very cautious in -- in making an operation too lean, because what you end up doing is allowing your facilities to deteriorate and the service to the customer can deteriorate. So I have no, as the letter says, further plans for layoffs. We've made a number of personnel changes that I think have positively impacted on the corporation.

We have a new Executive Director of Operations, Steve {Syge} who has been, I would say, very energenic in reaching out to customers and improving our service to customers. In addition, we've moved -- Dominick and I have moved responsibilities away from the Executive Director of Operations to the Executive Director of Human Resources, Tony Rettaliata, and I think that's had a very positive impact on, not only the business, but on the personnel in the branches. There's been responsiveness to the conditions in the branches and some of the concerns that our managers and cashiers have. And when you have happy branch employees, hopefully, you have happy customers. And I think that in part the increase in handle is attributed to some of the more positive changes that we've made to the extent that I believe we have a different corporate culture that should result in more revenues to the County. And specifically, there was some concerns about parties and corporate spendings that did not appear to be directly related to the business of OTB. All the employees now are very focused on only spending money that helps the business. And by that, I mean, you know, we still have marketing promotions and things like that, but in pretty much every respect, there is some business purpose or benefit.

CHAIRMAN CARACCILOLO:

In terms of the fiscal plans that are out there, how many OTB parlors are there? Where are they located? Some changes have recently been made, some more are contemplated, the letter talks about the Patchogue property, can you address that issue?

MS. KNAPP:

Okay. We'll sort of the go to some of the best things that are

happening to OTB and some of the most difficult things. We in May, May 30th, we opened the racing forum, which is the new location of what used to be the tele-theatre -- the tele-race, which was located in the industrial park in Hauppauge. While tele-race was considered our flagship facility, it was a rented premise, the rent was quite costly, and it was not very visibly located. Presidents, prior to myself, and I think it goes back as far as Howard DeMartini and then later, Walter Conlin purchased a property on Motor Parkway that fronts on the surface road of the expressway as well, and is very visible from the Expressway. They under took plans to build a building which was in the ground when I took office last August. And it's been completed on my watch, but clearly, the planning and development was attributable to the prior presidents.

It's a magnificent building. And from the day that we opened, it's been just a success beyond our expectations. For instance, on a Monday, which is a quiet day, that building had over a hundred thousand dollars in handle last Monday. The increases over last year in that building range from 20 to 80% since we've opened. It's been a -- it's been very successful, customers love it. I got flowers from a customer after it opened. They love it. They're happy, the employees

in there are happy. We are getting customers who had never been to Suffolk OTB before coming in there. We have a great many more women in that branch. Other than the forum, which as I say is our diamond, we have a total of 14 other branches. One of which is the Telephone Room Branch, which is not an actual brick and water branch. The other 13 brick and water branches, three of them are corporate owned; Huntington, Airport and Sunrise. The rest are in rented premises. One of the, if you want to call it a disadvantage, that we have over our neighbors to the west is that this is such a huge County that our branches are located as far east as Southampton and as far west as just east of the 110/Nassau County line. I'm sorry. It's west of 110. It's still in Huntington though. So we have do have a very large area that we have cover with branches in virtually every part of the County.

CHAIRMAN CARACCILOLO:

In terms of the cost and cost efficiency, obviously, as you noted you expected a new facility, the brand new facility. It is -- it should be cheaper to own and operate as opposed to lease and operate. Are there mid-range or long-range plans to convert more of the lease space into permanent space?

MS. KNAPP:

It's a goal that we have. Whenever we can realize a savings, and we have been able to in each case, for a variety of reasons, not the least of which we can capitalize those costs, and at the end of the period of time, we own an asset. In the racing forum, for instance, we're saving almost 15,000 a month, I think, owning rather than leasing. It is a long-term goal. It may not always be practical. My own concern is that when we build, we drain enormous resources from the headquarters operation. It is very time consuming to supervise the building project. You do have to be there always. It requires expertises that are not always readily available and can be expensive to secure. But it is a long-term goal, and it's a balanced long-term goal.

CHAIRMAN CARACCILOLO:

And in terms of expansion, are there present plans to expand beyond the 13 facilities or relocate some of those facilities?

MS. KNAPP:

We're always looking at the possibility of relocating facilities for the purpose of either saving money or finding a location that is more convenient to customers. There are no plans to -- what I would say is increase the number of branches. As a matter of fact, if there is a way to practically consolidate two small branches, that would be a goal. It's not always easy to do that.

CHAIRMAN CARACCILOLO:

Okay. I have more questions, but at this time I'd like to defer to my colleagues. I'm sure they may have some questions. Let's start with Legislator Postal.

LEG. POSTAL:

Not a question, but obviously, we're very pleased when we read Newsday. I mean, we understand also that you're facing some

difficulties in terms of the change in the law which is that the State will take a larger share, but this couldn't come at a better time. You know, this is a real good sign for us. So I can tell you -- I'm saying this, but I'm sure that when I say it, I say it expressing the sentiments of most, if not all of us, that we feel very positive about the leadership at OTB and the direction in which you've been heading. Thank you.

MS. KNAPP:

Thank you. It actually -- if I could just add to that. When -- the story was written by Rick Brand at Newsday, and when he asked me about it, my focus was on the way our business was doing; that is, the growth and the handle. And he obviously, was much for focused on the bottom line. He asked a question about comparing the last 12 months to previous returns to the County. And I said, well, we don't keep our figures like that, we do it on a year-end basis. And he said, I'm interested in the possibility of a \$6 million year, and how long has it been? And I said, well, you know, I don't know, we'd have to dig that out. And he was on a deadline, and I wasn't able to dig it out for him in time for the deadline, but Dominick and I looked at it. And interestingly enough, for the 12 months from July 1st of last year to July 31st of this year -- I guess, it was a full 12 months -- June 31st. I'm sorry, June 30th, the full 12-month period of which, by the way, I have to say, I was not president for part of, but Dominick was vice-president for all of that time. We actually did deliver over \$6 million to the County in that 12-month period, and the County had not had a \$6 million year from OTB since 1994. So we're hopeful that maybe we can do it in the 12-month period that counts, that is, by the end of the year.

LEG. POSTAL:

Thank you.

LEG. HALEY:

No. She answered what I had.

CHAIRMAN CARACCILOLO:

In terms of the economy and the so-called -- not so-called -- the actual business cycles that the economy experiences, is there any

relationship in the Gaming Industry and the business cycle?

MS. KNAPP:

It appears that when the economy is -- well, let me take that back. When the Stock Market is not quite as good as it was during the best years, that the Gaming Industry does do better. If the economy is faltering badly, we anticipate that we will experience the same things that everybody else does. Interestingly enough, my own son, my youngest son, is a horse player. He lives in New York City so he doesn't go to Suffolk unfortunately, but -- and during the period when the Stock Market was booming, he started playing -- I guess the word is -- the Stock Market. He became much more interested in the Stock Market. And when the Stocks did poorly, he said to me. You know, you can make more money handicapping horses. So I think that there may be a lot of other people out there.

LEG. HALEY:

And not lose as much.

MS. KNAPP:

I call it sort of the thinking persons gambling to the extent that you can clearly look at what a horse has done in the past, and what the jockey has done in the past. And not quite the same as putting your money in a slot machine.

CHAIRMAN CARACCILOLO:

What do you anticipate will happen as a result of the State Legislation and the reduction in handle year over year? In other words, as you project forward, what do you think -- how will it affect the bottom line?

MS. KNAPP:

Well, Barry {Schwartz} and I have said that you need a 7% increase in handle to offset the revenue losses. That's really very, very, very difficult to do. As you can see from our year-to-date figures, we're leading the State, and we're at 4.4%. So I do have some grave concerns. The Legislature gave us an additional two tracks this year during Saratoga. And that more than made up for the increase that we needed.

However, that was a very short-term piece of legislation, while the take-out is a four year piece of legislation. So I'm anxious for the state to continue to institute measures that allow us to increase our handle. Although, I've been a little discouraged in the last two days because, while Suffolk OTB has managed to maintain it's Saratoga handle at -- we're actually at pretty much at what we had last year in Saratoga. We may be a few dollars ahead, but almost flat in Saratoga. The other OTBs in the State have dropped off in their Saratoga handle because they've more than made up for it on the two out-of-state tracks, Monmouth and Arlington. And that is of certain to the regulators whose primary focus is on New York State racing.

CHAIRMAN CARACCILOLO:

Okay. I'm going to sum up, but the questions I'm going to sum up with are going to be some difficult ones. So here we go. In the correspondence I had requested what measures are being taken to improve accountability regarding official corporate use of vehicles, and I did not see a response to that question.

MS. KNAPP:

Well, actually I was confused by that question because you make

reference to the controller's report, the 200 controller's report, and there was no finding about vehicles.

CHAIRMAN CARACCIOLO:

This really should have been listed as a separate question.

MS. KNAPP:

Ah-ha. Okay. Now, I'm going to have to look at the question more carefully and answer it because --

CHAIRMAN CARACCIOLO:

By the way, your responses to the auditor's report were very comprehensive and complete, and it appeared more than sufficient to deal with the concerns that was raised in the report.

MS. KNAPP:

To the extent that the question -- and I'll read it.

"Improving accountability by submitting periodic reports concerning the personal and business use, corporate, of vehicles assigned to officers, directors and other personnel." We do require, certainly for IRS purposes, that everyone break out their personal use of their vehicles. We do have monthly reports on the mileage of the vehicles, and I've, you know, attempted to keep the vehicles under control. We have eliminated, I think, one or two vehicles in the last year. I mean, I'll have to go back and look at that more carefully. It's very difficult.

Vehicle use at OTB because of the location of our branches, is something that is very difficult to control. I personally do not use my OTB vehicle for anything other than business purposes, and I've put -- I think I've put about 11,000 miles on that vehicle in a year and that is entirely business. And I'm really in the corporate headquarters, I think, as much as anybody, if not more. So our other employees who are out at the branches more than I, I'm sure have much higher vehicle use than I do. Again, vehicles are always a very difficult issue for any business, but with a business that has 14 remote branches, and, you know, I keep pounding our employees at headquarters to spend more time in those branches. I think it's a necessary use.

CHAIRMAN CARACCIOLO:

In terms of the size of the fleet, has it increased or decreased, and what projections do you have as far as the size of the fleet?

MS. KNAPP:

I have no interest in increasing the size of the fleet at this point in time. We're actually going to take a truck and put it out of service. And just yesterday, as a matter of fact, our employees talked me into keeping that particular vehicle because it had a hitch on it that you could -- we brought a lift that allows our employees to change all the bulbs in the parking lot lights. And this particular lift has to be towed, and the vehicle, the truck, had the tow on it, and they said to me, you know, we're going to put this out of service, but we'd like to keep it. And I said, okay, let's keep it. But the next van that reaches is gone and not replaced. So that's what we do.

CHAIRMAN CARACCIOLO:

And what is the total size of the fleet?

MS. KNAPP:

I'm very sorry. Again, I was confused by that question because it

was --

CHAIRMAN CARACCIOLO:

Okay. If you could just let us know.

MS. KNAPP:

Total size of the fleet?

CHAIRMAN CARACCIOLO:

And how that is historically, in terms of the size. If it's stable, that's good to hear. And if you have intentions to not replace some vehicles, that's good to hear.

MS. KNAPP:

Again, you know, I want --

CHAIRMAN CARACCIOLO:

Because as you mentioned, and it's very important as you're going to this next cycle, there is only one way you really have as most businesses have to control or improve your bottom line. You really don't have much of an affect on revenues because you have external factors that supercede your ability to effectuate with outcomes, but on the other hands, in terms of the expense ratio, you know, that's where your management, your good management, plays a key role.

MS. KNAPP:

My goal entirely is to make sure that every expense is closely related to our work. There will not be excessive, I hope, or frivolous expenses, but on the other hand, to the extent an expense increases our business, I'm very willing to do it.

CHAIRMAN CARACCIOLO:

Then the final issue is the Patchogue property.

MS. KNAPP:

Patchogue.

CHAIRMAN CARACCIOLO:

Right. I know that's a particular to Legislator Foley so I'd be remiss if I didn't bring that up.

MS. KNAPP:

Patchogue is one of -- probably the most challenging issue that we face in that we own our corporate headquarters that we're presently in Hauppauge. In addition, we own a building in Patchogue that was proposed to be our headquarters. That's a position that obviously we don't want to finds ourselves in. We have to very quickly make a decision to either stay where we are or move to Patchogue. In the last three months we put together an Advisory Committee, and both Dominick and myself served on that committee, that looked at this question from many different points of view. It has become a balancing test to the extent that it appears that a move will be slightly more expensive for the corporation on an ongoing basis.

However, the building that we're in needs a great many repairs and it is probably is little bit too small for it's present occupancy. In addition to which, the corporation purchased the building in Patchogue and has made a commitment to the Patchogue facility. Tomorrow our Board of Directors is going to undertake this very difficult decision.

And as I say, whatever the decision ultimately will be, it's my concern that it be a decision that's made fairly quickly so that we

can move on.

CHAIRMAN CARACCIOLO:
Legislator Haley.

LEG. HALEY:
Do you remember what you purchased that for?

MS. KNAPP:
\$1.325 million.

LEG. HALEY:
Imagine what it's worth now maybe. Does anybody -- do you have a sense of what it might be worth now?

MS. KNAPP:
We actually have an appraisal. The appraisal is very -- it's certainly within the ballpark of what we paid for it. Although the appraisal is several months old to the extent that the market, you know, has changed. I'm not quite sure how it's changed.

LEG. HALEY:
Was that appraisal higher or lower or pretty close?

MS. KNAPP:
It was really very close, I mean, to the extent that appraisals vary by 10%. It was very close to that. The building is --

LEG. HALEY:
If there is a problem with that particular site, maybe you should consider, if the market's half way decent, unloading it to the chagrin of, you know, Legislator Foley, but reality is that, you know, why put more money after bad money, you know?

MS. KNAPP:
The building is a very attractive building.

LEG. HALEY:
Yes, it is. I've passed it many times.

MS. KNAPP:
To the extent that the white collar operations could be housed comfortably in there. I think that that could work. Our concerns are really centered around the building doesn't have a loading dock, and doesn't have the kind of facility that would handle our blue collar operation, which is a very substantial part of our work. I mean, our blue collar people -- if you ever get an opportunity, and I would invite everybody to visit the racing forum, which is very near to here -- our blue collar people built the betting tables in there, they built all of the stations in which the machines are located. Some of the lighting placement was not as comfortable for our -- what we call our larger customers -- customers who are regular and spend a lot of money with us, so we don't call in an electrician, we have in-house people who do that.

LEG. HALEY:
I'm just concerned that if you're forced to make the Patchogue operation work, that it's going to wind up costing you more money than

you had hoped. So it may not be a profitable venture so that if the appraisal is appropriate, you know, you can cut your losses and get out.

MS. KNAPP:

Sometimes it's not always easy to find a buyer for even an attractive --

LEG. HALEY:

Listen. I understand the realities of all it. Not only that, you'd have to listen to Legislator Foley. So I mean, you know, that has a value too.

MS. KNAPP:

Again, it's probably going to be one of the most difficult decisions, and I think at this point in time it's important to get the decision and then move on.

CHAIRMAN CARACCILOLO:

In terms of purchasing the building in the first instance, what kind of decision making went into that? You mentioned that it is being considered as a new replacement -- wholly-owned building -- property by OTB, taking your operations out of Hauppauge and moving it to Patchogue. So obviously, it had some value in terms of corporate decision makers at the time and what has changed, that's, I guess, what I'd like to know.

MS. KNAPP:

I think at the time that the decision to purchase the building was made that -- that the decision makers operated under the assumption that the property next door would be readily available, that the ability to build an annex building would be more feasible than it has turned out to be. I think that that's been a large part of it. I think certain other issues; growth of the telephone room operation, which in the past 18 months has almost exploded. There have been dramatic increases in the phone business. However, there have also been changes in technology that we've been able to institute that allowed automated betting. There are new changes that are coming down the road that might control the growth the phone room, in terms of, you know, the need for more and more space.

CHAIRMAN CARACCILOLO:

And as your letter points out, the Board will be taking this issue up tomorrow, and you closed that issue by saying it would be inappropriate to consider alternatives, turn of use is for the building, while that decision is outstanding. So would you please advise us as to what decision or recommendation the Board makes so we are fully up to date on what directions you're going. I have no further questions. If there are no other questions from the committee, we'd like to thank you for your attendance today and look forward to hearing from you periodically. Thank you.

MS. KNAPP:

Thank you very much.

CHAIRMAN CARACCILOLO:

The committee will go to today's agenda. Just wait a moment or two for Counsel to return. Hopefully, he can here the proceedings and return to the horseshoe.

I've just been provided with a memo from Legislator Cooper to the Clerk advising that he is withdrawing IR 1864. So would you please note that on today's agenda.

MS. BARRETT:

There is no 1864.

CHAIRMAN CARACCIOLO:

It must be 17 because there is no 18, that's correct. I'm sorry, 1664. It says 1864 on this copy. Okay. It's Cooper's. It's the traffic light installation. 1664 IS WITHDRAWN.

LEG. LINDSAY:

It's the first one under tabled non-prime on the agenda.

CHAIRMAN CARACCIOLO:

We'll go to the agenda then.

TABLED RESOLUTIONS PRIME

1261 Adopting Local Law No. 2001, A Charter Law to stabilize real property taxes by optimizing use of the tax stabilization reserve fund. (County Exec.)

CHAIRMAN CARACCIOLO:

We have tabled resolutions prime, three. We have a motion by Legislator Postal. Seconded by the Chair to table 1261. All in favor? Opposed? Abstentions? Unanimous. TABLED (VOTE: 5-0-0-0)

1262 Adopting Local Law No 2001, a Charter Law to streamline Suffolk County 5-25-5 debt policy. (County Exec.)

CHAIRMAN CARRACCIOLO:

1262. Same motion, same second. All in favor? Opposed? Abstentions? Unanimous. TABLED (VOTE: 5-0-0-0)

1264 Amending Section 719-6 of the Suffolk County Code. (County Exec)

1264. Same motion, same second. All in favor? Opposed? Abstentions? Unanimous. TABLED (VOTE: 5-0-0-0)

TABLED NON-PRIME

1664 Amending Adopted 2001 Capital Budget and Program and appropriating funds in connection with traffic signal installation at County Police Department Second Precinct in Huntington. (Cooper)

As I just mentioned, 1664 is withdrawn by the sponsor so delete that from the agenda.

INTRODUCTORY PRIME

1703. To readjust, compromise and grant refunds and charge-backs on real property correction of errors by: County Legislature Control No. 675-2001. (County Exec)

LEG. POSTAL:

Motion to approve 1703, 1704, 1705 and 1713 and place on the consent calender.

CHAIRMAN CARACCIOLO:

Seconded by Legislator Lindsay. All in favor? Opposed? Abstentions?
Unanimous. 1703, 04, 05 and 1713 have been APPROVED and PLACED ON THE
CONSENT CALENDER. (VOTE: 5-0-0-0)

1704. To readjust, compromise and grant refunds and charge-backs on
real property correction of errors by: County Legislature Control No.
675-2001. (County Exec)

APPROVED AND PLACED ON THE CONSENT CALENDER (VOTE: 5-0-0-0)

1705. To readjust, compromise and grant refunds and charge-backs on
real property correction of errors/County Treasurer by: County
Legislature #135 (County Exec)

APPROVED AND PLACED ON THE CONSENT CALENDER (VOTE: 5-0-0-0)

1713. To readjust, compromise and grant refunds and charge-backs on
real property correction of errors/County Treasurer by: County
Legislature #136 (County Exec)

APPROVED AND PLACED ON THE CONSENT CALENDER (VOTE: 5-0-0-0)

That was a resolution we previously adopted. It was approved
unanimously.

1779. Transferring funds and authorizing the County Comptroller and
county Treasurer to close certain Capital projects. (County Exec.)

A motion by the Chair. Seconded by Legislator Postal. All in favor?
Opposed? Abstentions? Unanimous. APPROVED (VOTE: 5-0-0-0)

INTRODUCTORY NON PRIME

1735. Allocating funding for pay-as-you-go financing for the study
of the occurrence of brown tide in marine waters. (Fisher)

1736. Allocating funding for pay-as-you-go financing for the purchase
of highway maintenance equipment. (Foley)

These are non-prime resolutions. The Chair is going to make a motion
defer to prime committee. Seconded by Legislator Postal. Will the
Clerk also note on 1735 that I'd like to be listed as a co-sponsor.

Here we go. 1735, 1736, 1737 -- well, let's do those -- we'll do the
first two. 1735 and 1736 defer to prime. Motion by legislator
Postal. Seconded by the Chair. All in favor? Opposed? Abstentions?
Unanimous. DEFERRED TO PRIME (VOTE: 5-0-0-0)

1751. Accepting and appropriating 100% federal funds from the New
York State Department of Health to the Department of Health Services,
Division of Patient Care Services for the WIC Nutrition Program and
creating and abolishing a position in the Department of Health
Services for this program. (County exec.)

Motion by Legislator Lindsay. Seconded by the Chair -- make that a
second by Legislator Haley. All in favor? Opposed? Abstentions?
Unanimous. APPROVED (VOTE: 5-0-0-0)

1752. Accepting and appropriating 100% federal funds from the New
York State Department of Health to the Department of Health Services,

Division of Patient Care Services for Immunization Action Plan and creating and abolishing a position in the Department of Health Services for this program. (County Exec.)

1752, 1753, 1754 motion by the Chair. Seconded by Legislator Postal to defer to prime. All in favor? Opposed? Abstentions? Unanimous. DEFERRED TO PRIME (VOTE: 5-0-0-0)

1753. Accepting and appropriating 100% grant funds from the New York State Department of Labor to fund a "Community Solutions Transportation Program" (County Exec.)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

1754. Accepting and appropriating 75% reimbursable funds for the New Title III-E New York Elder Caregiver Support Program. (County Exec)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

1757. Amending the 2001 Capital Budget and Program and appropriating funds in connection with the removal of toxic and hazardous building materials and components at various County facilities. (County Exec)

Just a brief explanation as to the size of the project, Paul.

MR. SABATINO:

I'm sorry. This is going to increase the Capital Budget from 385,000 to 620,000. The offset is coming from the Human Resources Payroll System that was defeated earlier this year. So this would appropriate the \$235,000 increase in serial bonds to pay for the projects.

CHAIRMAN CARACCIOLO:

On that, Legislator Postal.

LEG. POSTAL:

Is the amendment adding monies to an amount that was included in the 2001 Capital Program or --

MR. SABATINO:

Yes. It's an increase of \$235,000. There's an offset, as I said before, and this is basically asbestos removal and lead paint removal and air conditioning CFC removals. The specific locations are not identified, but that's conceptually the framework of it. And you're right, it's an increase with an offset.

CHAIRMAN CARACCIOLO:

Motion to approve by the Chair. Seconded by Legislator Postal. All in favor? Opposed? Abstentions? Unanimous. APPROVED (VOTE: 5-0-0-0)

On that offset, just quickly Counsel, you said that was the Human Resources Payroll System, automated payroll system?

MR. SABATINO:

If you remember earlier -- at the end of last year and then again this year on two separate occasions the Legislature defeated that initiative, so it's become a viable -- my point was it's become a viable offset, not just for this, but for a variety of other bills that have been voted on this year to amend the Capital Budget.

CHAIRMAN CARACCIOLO:

I've been advised that there is a discharge petition being circulated, I believe, to approve the purchase of that automated payroll system, so members should keep that in mind in terms of whether or not they want to sign on to that resolution that the funding has now been tapped. That's all.

MR. SABATINO:
More than once.

CHAIRMAN CARACCIOLO:
Does Budget Review have a sense of what then is left in that account for that payroll system should that resolution actually be successful?

MR. SABATINO:
Also keep in mind, when I say it's been tapped more than once, what I mean is there are also pending resolutions. Other Legislators, for example, have bills that may not have necessarily been adopted yet, but they're floating around.

MR. SPERO:
1,250,000 was budgeted for that. So this is starting to dip into that.

CHAIRMAN CARACCIOLO:
So this would draw it down by 350 -- 235.

MR. SPERO:
235.

CHAIRMAN CARACCIOLO:
1758, 1759, 1760, 1762, 63, 64, 65, 66, 68, 69, 70, 71, 72 and 77, there's a motion by the Chair, seconded by Legislator Postal to defer to prime. All in favor? Opposed? Abstentions? Unanimous.
DEFERRED TO PRIME (VOTE: 5-0-0-0)

1758. Appropriating funds in connection with the aquisition of land for intersection improvements to CR 35, Park Avenue, at CR 11, Pulaski Road, Town of Huntington (CP 3301) (County Exec.)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

1759. Appropriating funds in connection with the aquisition of land for intersection improvements to CR 51, Riverhead-Moriches Road and CR 63 Old East Moriches-Riverhead Road, Town of Southampton (CP 3301) (County Exec.)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

1760. Appropriating funds in connection with the reconstruction of Culverts (CP 5371) (County Exec)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

1762. Appropriating funds in connection with the reconstruction of 58, Old Country Road, Town of Riverhead (CP 5529) (County Exec.)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

1763. Appropriating funds in connection with the construction of shoulders on CR 67, Motor Parkway, Town of Islip (CP 5533) (County

Exec.)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

1764. Appropriating funds in connection with drainage improvements on CR 39, North Road, at various locations, Town of Southampton (CP 5543) (County Exec)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

1765. Appropriating funds for engineering in connection with drainage improvements on CR 58, Old Country Road, Town of Riverhead (CP 5543) (County Exec)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

1766. Appropriating funds in connection with the Riverhead County Center Power Plant upgrade (CP 1715) (County Exec)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

1768. Appropriating funds in the Capital Budget in connection with the Environment Health Laboratory Equipment (CP 4079) (County Exec)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

1769. Appropriating funds in connection with intersection improvements on CR 19, Patchogue-Holbrook Road @ Waverly Avenue, Town of Brookhaven (CP 5040) (County Exec)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

1770. Appropriating funds in connection with a Highway Transportation Needs and Assessment (CP 5530) (County Exec)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

1771. Appropriating funds in connection with drainage improvements on CR 39, North Road at various locations, Town of Southampton (CP 5537) (County Exec)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

1772. Appropriating funds in connection with the rehabilitation of Smith Point Bridge, Town of Brookhaven (CP 5838) (County Exec)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

1777. Appropriating funds in connection with drainage improvements on CR 40, Three Mile Harbor Road, Town of East Hampton (CP 5542) (County Exec)

DEFERRED TO PRIME (VOTE: 5-0-0-0)

CHAIRMAN CARACCIOLO:
That concludes --

LEG. HALEY:
Wait. Wait. Wait. Can you go back.

CHAIRMAN CARACCIOLO:

You were listed as a --

LEG. HALEY:

Do you have the Introductory Non-Prime 1689? That should be on the agenda?

CHAIRMAN CARACCIOLO:

We'll have Counsel check that.

MR. SABATINO:

1689 would have been secondary in this committee

CHAIRMAN CARACCIOLO:

We have 1680 then before us. Counsel if you could just read the description.

MR. SABATINO:

That's a Legislator Alden resolution for \$75,000 traffic installation signal in Brentwood at the corner of Willoughby Street and Suffolk Avenue.

LEG. HALEY:

Motion to defer to prime.

18

CHAIRMAN CARACCIOLO:

Seconded by Legislator Postal. All in favor? Opposed? Abstentions?
Unanimous. DEFERRED TO PRIME (VOTE:5-0-0-0)

Is there any other business before the committee? Hearing none, we stand adjourned.

(*THE MEETING WAS ADJOURNED AT 10:45 A.M.*)

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